

Message Text

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ACTION EUR-12

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FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 9033
USMISSION OECD PARIS
INFO AMCONSUL ANTWERP
AMEMBASSY THE HAGUE

UNCLAS BRUSSELS 01259

E.O. 11652:N/A
TAGS:EIND NEINV,ELAB,BBAK,BE
SUBJECT: BADGER BELGIUMBANKRUPTCY

1.FLEMISH NEWSPAPER DE STANDAARD CARRIED ARTICLE TODAY
ON CLOSING OF BADGER BELGIUM,WHICH STATES THAT HENRI
BERNARD,SECRETARY GENERAL OF THE TRADE UNION ADVISORY
COMMITTEE OF THE OECD,INFORMED THE LOCAL EMPLOYEES'
UNION IN ANTWERP THAT "THE BEHAVIOR OF THE MULTINATIONAL
BADGER IS IN VIOLATION OF THE CODE FOR MULTINATIONAL
COMPANIES APPROVED BY THE OECD." THE PAPER FURTHER STATES
THAT BERNARD SAID, " THE HANDLING OF THE BADGER CASE BY
THE OECD,THE FIRST CASE IN CONNECTION WITH THE CODE,
CAN HAVE VERY NEGATIVE CONSEQUENCES FOR THE MULTINATIONAL."
BERNARD IS FURTHER QUOTED AS SAYING THAT THE SOCIAL
OBLIGATIONS, SUCH AS THE PAYMENT OF INDEMNITIES AND
THE PREMIUM FOR COMPANY CLOSURE,ARE NOT LIMITED UNDER
THE OECD GUIDELINES TO THE LOCAL COMPANY BUT SHOULD
BE CARRIED BY THE PARENT COMPANY IN THE UNITED STATES.
ACCORDING TO BERNARD,THE LOCAL TRADE UNIONS SHOULD
BE ABLE,UNDER THE GUIDELINES,TO NEGOTIATE WITH THE
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TOP MANAGEMENT OF THE COMPANY,THE INTERNATIONAL
MANAGEMENT INCLUDED.

2.THE STANDAARD ARTICLE CONCLUDES AS FOLLOWS:
"HENRI BERNARD STATES THAT THE BADGER CASE CAN
BE HANDLED BY THE OECD COMMITTEE FOR INTERNATIONAL
INVESTMENTS AND MULTINATIONAL COMPANIES ON MARCH 30.

THIS COMMITTEE DOESN'T HAVE ANY LEGAL POWER,BUT THE HANDLING OF THE CASE BY REPRESENTATIVES OF THE GOVERNMENTS, EMPLOYERS'ORGANIZATIONS AND LABOR UNIONS OF 24 COUNTRIES CAN HAVE A VERY DAMAGING EFFECT FOR BADGER.ACCORDING TO SECRETARY GENERAL BERNARD,THE WORST PUBLICITY FOR BADGER IS THE FACT THAT THIS WILL BE THE FIRST VIOLATION OF THE CODE."

3.EMBASSY UNDERSTANDS THAT THE TWO TRADE UNIONS AT BADGER BELGIUM ARE DIVIDED AS TO HOW TO HANDLE THE BADGER INDEMNITIES AND THAT IT IS THIS DIFFERENCE OF VIEW WHICH IS INFLUENCING BARNARD'S POSITION ON TAKING THE CASE TO THE OECD.
RENNER

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